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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,632	03/14/2001	Elaine Scott Mason	COS99039	3006
25537 7590 03/23/2007 VERIZON PATENT MANAGEMENT GROUP 1515 N. COURTHOUSE ROAD SUITE 500 ARLINGTON, VA 22201-2909			EXAMINER GREIMEL, JOCELYN	
			ART UNIT 3693	PAPER NUMBER
SHORTENED STATUTORY PERIOD OF RESPONSE			NOTIFICATION DATE	
3 MONTHS			03/23/2007	
			DELIVERY MODE ELECTRONIC	

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

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patents@verizon.com

Office Action Summary	Application No.		Applicant(s)	
	09/805,632		MASON, ELAINE SCOTT	
	Examiner		Art Unit	
	Jocelyn Greimel		3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 February 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Acknowledgment

1. The Examiner acknowledges that the Final Rejection of 13 November 2006 omitted the basis for the final rejection of claims 1-42 under 35 U.S.C. § 103. The Examiner hereby withdraws the finality of the 13 November 2006 action for this reason. The following is a Final Rejection, which addresses all claim rejections and objections. The objection to the Specification is withdrawn per the Applicant's Amendments of 15 June 2006.

2. Claims 1-42 are pending and are presented to be examined upon their merits. Claims 1, 8, 15, 22, 29 and 36 are independent claims.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3693

4. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

5. **Claims 1-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen et al, US Patent No. 6,289,322 (hereinafter Kitchen) and further in view of "Pay and Save" in Accountancy, June 1999 (hereinafter Pay and Save).**

6. Regarding claims 1, 8, 15, 22, 29 and 36, Kitchen discloses a method, apparatus, system, server apparatus, computer readable medium and program for an e-billing system comprising:

- a. retrieving invoice information corresponding to a customer including date and amount (col. 3, lines 9-15; col. 6, lines 29-52),
- b. displaying the invoice amount via a web browser (col. 4, lines 37-42; col. 8, lines 4-8), and
- c. receiving an input to initiate payment corresponding to the invoice amount via electronic fund transfer (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

Kitchen does not disclose:

- d. **calculating a discount amount based on the invoice amount;**
- e. displaying the calculated discount amount;

Art Unit: 3693

- f. **selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice date.**

However, Pay and Save discloses steps d-f. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the electronic bill pay system of Kitchen with the calculation of a discount amount based on the invoice amount of Pay and Save because customer's using the electronic bill pay this feature would allow them to process their bills and receive the discount which would be a benefit to them and also a benefit to the billing entity because the money is available to them earlier.

The evaluation of **claims 9-14, 16-21, 23-28, 30-35 and 37-42** are detailed below and are evaluated similarly to claims 1, 8, 15, 22, 29 and 36 supra.

Regarding claims 9 - 14, Kitchen discloses a server apparatus for providing an on-line billing system (col. 3, lines 6-8; col. 5, line 66 – col. 6, line 7), the server apparatus comprising a communication interface configured to retrieve customer invoice information (col. 3, lines 9-15; col. 6, lines 29-52), a processor coupled to the communication interface and configured to calculate an invoice amount (col. 4, lines 37-42; col. 8, lines 4-8); wherein the communication interface receives an input to initiate payment corresponding to the invoice amount (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

Art Unit: 3693

7. Regarding claims 16 – 21, Kitchen discloses an e-billing system (col. 3, lines 6-8; col. 5, line 66 – column 6, line 7) comprising a database configured to store customer information (col. 6, lines 29-50); a server communicating with the database, the server being configured to retrieve the invoice information from the database (col. 3, lines 9-15; col. 6, lines 29-52), the server being configured to instruct display of the invoice amount via a web browser (col. 4, lines 37-42; col. 8, lines 4-8) and a client communicating with the server, the client being configured to run the web browser and to transmit to the server to initiate payment corresponding to the invoice amount (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

8. Regarding claims 23 - 28, Kitchen discloses a server apparatus for providing an on-line billing system (col. 3, lines 6-8; col. 5, line 66 – col. 6, line 7), the server apparatus comprising a communication interface configured to retrieve customer invoice information (col. 3, lines 9-15; col. 6, lines 29-52), a processor coupled to the communication interface and configured to calculate an invoice amount (col. 4, lines 37-42; col. 8, lines 4-8); wherein the communication interface receives an input to initiate payment corresponding to the invoice amount (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

Regarding claims 30 – 35, Kitchen discloses a computer-readable medium carrying one or more sequences of one or more instructions for providing an on-line billing system, the one or more sequences of one or more instructions including instructions which, when executed by one or more processors, cause the one or more

Art Unit: 3693

processors to perform the steps of retrieving invoice information corresponding to a customer (col. 3, lines 9-15; column 6, lines 29-52), displaying the invoice amount via a web browser (col. 4, lines 37-42; col. 8, lines 4-8), receiving input to initiate payment corresponding to the invoice amount (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

Regarding claims 37 – 42, Kitchen discloses an e-billing system including a computer system accessible for on-line interactive communication of invoices to users (col. 3, lines 6-8, col. 5, line 66 – col. 6, line 7), a computer system comprising a database for storing customer invoice information (col. 3, lines 9-15, col. 6, lines 29-52), the information including an invoice date and total invoice amount (Fig. 9A and Fig. 11), the invoice information displayed to the customer for on-line interaction (col. 4, lines 37-42; col. 8, lines 4-8) and a mechanism for initiating electronic payment of the modified total invoice amount (col. 8, line 63 – col. 9, line 8; col. 12, lines 16-48).

9. In reference to **claims 9-14, 16-21, 23-28, 30-35 and 37-42**, Kitchen does not disclose:

- g. **calculating a discount amount based on the invoice amount;**
 - h. displaying the calculated discount amount;
 - i. **selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice date.**
- However, Pay and Save discloses steps d-f. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the electronic bill pay system of Kitchen with the calculation of a discount amount

Art Unit: 3693

based on the invoice amount of Pay and Save because customer's using the electronic bill pay this feature would allow them to process their bills and receive the discount which would be a benefit to them and also a benefit to the billing entity because the money is available to them earlier.

Please see evaluation of claims 1, 8, 15, 22, 29 and 36 supra.

Response to Arguments

10. Applicant's arguments filed 12 February 2007 have been fully considered but they are not persuasive. Applicant's arguments regarding claims 1-42, especially claims 1, 8, 15, 22, 29 and 36 (regarding section d-f as presented above) are detailed below.

The Examiner is entitled to give the claim limitations their broadest reasonable interpretation in light of the Specification. See below:

Claim	Interpretation;	Broadest	Reasonable
Interpretation:			
<CLAIMS MUST BE GIVEN THEIR BROADEST REASONABLE INTERPRETATION			
During patent examination, the pending claims must be "given the broadest reasonable interpretation consistent with the specification." Applicant always has the opportunity to amend the claims during prosecution and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. In re Prater, 162 USPQ 541, 550-51 (CCPA 1969).>			

Applicant's Specification details steps d-f at least on: page 2, 06; page 3, 08; page 7, 20; page 8, 22; page 9, 23-24 and 26; page 11, 29-30; page 12, 33. The following

Art Unit: 3693

passage from page 3, 08-09 is representative of the passages of the Applicant's Specification above and details steps d-f:

*"According to one aspect of the invention, there is provided an Early Payment Discounts ("EPD") mechanism that enables customers to automatically receive an early payment discount for paying their invoice electronically, e.g., via electronic funds transfer, EFT, through an e-Billing system **within a designated number of days from receipt of invoice**. The designated number of days is determined by the business case and may change periodically, e.g., every six months. **Any EPD discount provided is based on the current invoice charges**. The EP percentage discount is automatically calculated depending upon the date that the EFT payment is made. EFT account payment screens will automatically display the percentage discounts depending and the time period of EPD availability. **As an example, on-line customers may receive a first discount amount, e.g., of two percent (2%) for EFT payment within a first set time period, e.g., five (5) days, of receiving the invoice, or, a second smaller discount amount, e.g., one percent (1%), for EFT payment within a second set time period, e.g., ten (10) days, of receiving the invoice.** It is the case that early payment discounts do not apply to past due amounts, and preferably apply only if the user submits payment for the full amount. In the preferred embodiment, the EPD mechanism implements a rate table representing the two tiers (e.g., 2% and 1%). Each month, when the invoices are received from the enterprise billing system, a calculation is performed based on the eligibility criteria. If the criteria are met, that invoice appears online with a 'discounted' or 'adjusted' total amount due for each tier. The payment section of the application displays the amount of the discount and the date it should be paid in order for the customer to receive the discount"*

11. Pay and Save details steps d-f as below:

*"Small businesses financial advisors should encourage them to take advantage of prompt payment discounts." "A survey... shows that the average discount rate that suppliers offer is 3%, with an average discount period of 20 days. **The most frequently cited cash discount is 2.5% within 30 days.**"*

Under the broadest reasonable interpretation of the claim limitations, Pay and Save teaches steps d-f.

- Applicant argues that there is no "calculating a discount amount based on the invoice amount" in Pay and Save. However, in Pay and Save a discount percentage (eg: 2.5% or 3%) is applied to the invoice amount/invoice total (the

total charges on the invoice). Then, this discount percentage (the 2.5% or 3%, which is determined by the number of days it takes the consumer to pay the invoice) is applied to the invoice amount/invoice total and then a discount amount is calculated (an actual dollar figure). **This is the case in Pay and Save and Applicant's Specification (see especially, Applicant's Figures 4a-4e).** Both Pay and Save and Applicant's claims show calculating a discount amount (dollar amount) BASED ON the invoice amount. Both Pay and Save explain using:

- Discount percentage (eg: 2.5%, 3% etc)
 - Invoice amount (also called invoice total or total charges; eg: \$1,000.00)
 - Discount Amount (eg: \$20.00)
- Applicant argues Pay and Save shows to get a discount the invoice must be paid within a certain period of time after the invoice date, while Applicant's invention shows the invoice being paid in advance of the invoice date based upon a calculated discount. **The Examiner interprets "invoice date" in the Applicant's claims to be the invoice due date, which is equitable to the due date in Pay and Save. Pay and Save's "invoice date" would be the date of receipt of the invoice. Therefore, in both Pay and Save and Applicant's claims – an invoice is produced and a discount can be applied if the invoice is paid within certain time periods.**

In response to Applicant's arguments regarding claims 4, 18, 25, 32 and 39-40 in regard to "calculating another discount amount based upon another percentage of the invoice

Art Unit: 3693

amount, the second discount amount being associated with another expiration date.”

Based upon the Applicant's Specification:

- **(2%) for EFT payment within a first set time period, e.g., five (5) days, of receiving the invoice**
- **one percent (1%), for EFT payment within a second set time period, e.g., ten (10) days**

Pay and Save discloses:

- 3%, with an average discount period of 20 days
- 2.5% within 30 days.

Pay and Save does disclose this concept of calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date.

Conclusion

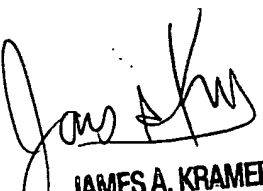
THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a). A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the

Art Unit: 3693

statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jocelyn Greimel whose telephone number is (571) 272-3734. The examiner can normally be reached Monday - Friday 8:30 AM - 4:30 PM EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached at (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

 3/13/07
JAMES A. KRAMER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600

Jocelyn Greimel
Examiner, Art Unit 3693
March 8, 2007